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# Hard Rock Chain Hopes to Hit Pay Dirt With Casino

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**GAMBLING**

High rollers, meet rock 'n' rollers.

Peter Morton, co-founder of the Hard Rock Cafe chain, and Harrah's Casino Hotels are betting that Las Vegas, Nev., is ready for the Hard Rock Hotel & Casino, which they hope will attract a younger, richer crowd to the gambling scene.

Mr. Morton will announce plans today for the casino industry's first rock-themed property, with rock memorabilia, a revolving vintage Cadillac over the bar and perhaps even guitar-shaped roulette tables. The partners are betting as much as $75 million that the concept will be a hit.

"We view ourselves as entertainment," Mr. Morton says of his restaurant chain, which features nonstop rock music and a typical all-American menu, including burgers, chicken and ribs. "What we're trying to do is bring the excitement and fun of the Hard Rock into the casino."

Mr. Morton got the idea after opening a Hard Rock restaurant in Las Vegas last year. Located several blocks from the neon-lined Strip, the restaurant is difficult for visitors to miss when they head into town from the airport: It has a 130-foot tall replica of a Fender guitar smashing through the roof.

Las Vegas drew 20 million visitors last year, but many of them are much older and less free-spending than the Hard Rock's typical 21-to-45 crowd. Philip G. Satre, president of Harrah's parent company, **Promus** Cos., Memphis, Tenn., says market research found that this affluent group doesn't know much about casino gambling, but might like to learn.

The research also showed that Hard Rock patrons' household income, at $80,000, averages about twice as much as that of Las Vegas visitors in general. "And their behavior is different from the typical gambling behavior," he says. "They really enjoy gambling with friends in a more social environment."

The property, a relatively small 326-room hotel, will be built to accommodate those preferences. It will include 24 suites, as well as a large pool with a sandy "beach" for socializing. At the main entrance, pilasters made to look like rock legends will support a gigantic piano keyboard that will boom out rock piano classics by Jerry Lee Lewis, Elton John and others. The 25,000-square-foot casino will have the usual array of table games and a sports betting parlor, as well as 650 slot machines—a higher proportion of slots than usual, because the operators expect a more casual crowd.

The Hard Rock chain has thrived on moderately priced food since its founding in London 20 years ago, and the new property won't aim for the highest end of the market. "It'll be great value for the money," Mr. Morton says. But the casino will include a smaller version of Mortons restaurant, a trendy West Hollywood eatery that caters to the entertainment crowd and those who like to ogle them.

The partners think local customers will make up about half of the casino's business. To help attract them, the casino will be able to erect a temporary 2,000-seat arena to showcase rock bands.

In keeping with the rock theme, the new property will include a music store and a gift shop with items bearing the Hard Rock logo. "The casino will still bring in much of the revenue, but the restaurant and the merchandising will be important too," Mr. Satre says.

Though several major new resorts with thousands of new hotel rooms have opened in Las Vegas recently, some industry analysts say this niche project may do well because few other casino operators are trying to attract its target group.

Mr. Morton owns a chain of 11 Hard Rock Cafes, with annual revenue of about $100 million, and controls 50% of the worldwide Hard Rock merchandising venture. **Rank Organisation** PLC, a British conglomerate, owns a separate chain of Hard Rock Cafes and the other half of the licensing concern.

Mr. Morton says the project will be financed through a private placement by Donaldson, Lufkin & Jenrette Inc., as well as bank credit and a 7% equity stake from Harrah's. Harrah's will develop and manage the property and will receive a management fee and incentive fee if it hits certain goals. Mr. Morton hopes to break ground this fall, and expects to open the casino in late 1992 or early 1993.

Source: https://www.industrydocuments.ucsf.edu/docs/hpfm0004